

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: May 19, 2004

Division: Management Services

Bulk Item: Yes X No

Department: Group Insurance

AGENDA ITEM WORDING: Approval of contract amendment with Acordia National for monthly claim administration fees for the Florida Keys Mosquito Control District. This amendment is required effective May 1, 2004 as the Florida Keys Mosquito Control District will no longer be a covered entity under the Monroe County Employee Benefit Plan therefore eliminating the need for administrative fees, except for the handling of run-out claims.

ITEM BACKGROUND: Current contract effective October 1, 2002 through September 30, 2003 with renewals for FY 03-04 & FY 04-05.

PREVIOUS RELEVANT BOCC ACTION: N/A

CONTRACT/AGREEMENT CHANGES: The per employee per month (PEPM) fee for claims administration for the Florida Keys Mosquito Control District will expire April 30, 2004 and run-out claims will be processed from May 1, 2004 through July 31, 2005 at a cost of 10% of paid claims.

STAFF RECOMMENDATIONS: Approval

TOTAL COST: \$256,000.00

BUDGETED: Yes X No

COST TO COUNTY: \$256,000.00

SOURCE OF FUNDS: Primarily Ad Valorem

REVENUE PRODUCING: Yes No X **AMOUNT PER MONTH** **Year**

APPROVED BY: County Atty OMB/Purchasing Risk Management BC

DIVISION DIRECTOR APPROVAL: Sheila A. Barker
Sheila A. Barker

DOCUMENTATION: Included X To Follow Not Required

DISPOSITION:

AGENDA ITEM # D7

CONTRACT SUMMARY

Contract #

Contract with: Acordia National

Effective Date:October 1, 2003

Expiration Date: September 30, 2004

Contract Purpose/Description: Approval of contract amendment with Acordia National for monthly claim administration fees for the Florida Keys Mosquito Control District. Effective May 1, 2004 the Florida Keys Mosquito Control District will no longer be an entity covered under the Monroe County Employee Benefit Plan.

Contract Manager: Maria Z. Fernandez
(Name)

4448
(Ext.)

Administrative Services
(Department)

for BOCC meeting on May 19, 2004

Agenda Deadline: May 4, 2004

CONTRACT COSTS

Total Dollar Value of Contract: \$256,000.00

Current Year Portion: \$

Budgeted? Yes ☒ No ☐

Account Codes: 502-08002-530310-

Grant: \$N/A

County Match: \$N/A

ADDITIONAL COSTS

Estimated Ongoing Costs: \$_____/yr
(Not included in dollar value above)

For: _____
(eg. maintenance, utilities, janitorial, salaries, etc.)

CONTRACT REVIEW

	Date In	Changes Needed	Reviewer	Date Out
Division Director	<u>5/4/04</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>Sheila A. Barker</u>	<u>5/3/04</u>
Risk Management	<u>5/4/04</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>Bill Gub</u>	<u>5/4/04</u>
O.M.B./Purchasing	<u>5/5/04</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>Adrienne Spaula</u>	<u>5/5/04</u>
County Attorney	<u>5/3</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>S. Huth</u>	<u>5/3</u>
Comments: _____				

**AMENDMENT TO
ADMINISTRATIVE SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this 1st day of May, 2004 by and between Board of County Commissioners of Monroe County (hereinafter called "Employer") and ACORDIA NATIONAL, of Charleston, West Virginia, (hereinafter called "Acordia National");

W I T N E S S E T H

WHEREAS, the Employer presently receives third party administration (TPA) services from Acordia National for certain of Employer's employee benefit plans; and

WHEREAS, the services provided by Acordia National are defined in an administrative services only agreement between the Employer and Acordia National dated July 1, 1996; and

WHEREAS, said agreement has been amended on June 18, 1997; July 16, 1997; February 11, 1998; June 10, 1998; April 14, 1999; a new administrative service agreement was entered September 8, 1999, between the parties; said agreement was renewed October 1, 2003; and

WHEREAS, the Employer revised its employee benefits plan effective January 1, 2004 and said agreement was amended February 18, 2004; and

WHEREAS, the Florida Keys Mosquito Control Board, a covered entity under the Employer's employee health benefit plan, effective May 1, 2004 will no longer participate in said health benefit plan;

NOW, THEREFORE, the parties hereto agree as follows:

- 1) The administrative fee for Acordia National's TPA services for run-out claims shall be 10% of total claims paid for the Florida Keys Mosquito Control Board from May 1, 2004 through July 31, 2005.
- 2) The per employee per month (PEPM) fee for Florida Keys Mosquito Control Board expires April 30, 2004.
- 3) This administrative fee supersedes the stated administrative fee in any prior agreements between employer and Acordia National.

- 4) All services between Employer and Acordia National remain the same as agree upon the administrative services agreement dated September 8, 1999, as renewed October 1, 2003.

IN WITNESS WHEREOF the Employer and Acordia National have caused this amendment to agreement to be executed this [] day of [], 20[].

ATTEST: DANNY L. KOHLAGE
CLERK

Board of County Commissioners of Monroe County

By: _____
Deputy Clerk

By: _____
Mayor

ACORDIA NATIONAL

By _____

Its _____

Witness

MONROE COUNTY ATTORNEY

APPROVED AS TO FORM:


SUZANNE A. HUTTON

ASSISTANT COUNTY ATTORNEY

Date: 4/29/04

**AMENDMENT TO
ADMINISTRATIVE SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this 18th day of February, 2004 by and between Board of County Commissioners of Monroe County (hereinafter called "Employer") and ACORDIA NATIONAL, of Charleston, West Virginia, (hereinafter called "Acordia National");

W I T N E S S E T H

WHEREAS, the Employer presently receives third party administration (TPA) services from Acordia National for certain of Employer's employee benefit plans; and

WHEREAS, the services provided by Acordia National are defined in an administrative services only agreement between the Employer and Acordia National dated July 1, 1996; and

WHEREAS, said agreement has been amended on June 18, 1997; July 16, 1997; February 11, 1998; June 10, 1998; April 14, 1999; and

WHEREAS, a new administrative service agreement was entered September 8, 1999, between the parties; and

WHEREAS, said agreement was renewed October 1, 2003; and

WHEREAS, the Employer revised its employee benefits plan effective January 1, 2004;

NOW, THEREFORE, the parties hereto agree as follows:

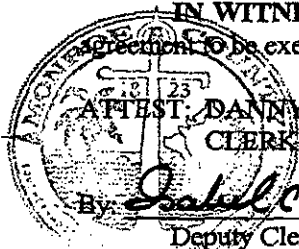
- 1) The administrative fee for Acordia National's TPA services for run-out claims shall be 10% of total paid dental and vision claims for January 1, 2004 through March 31, 2005.
- 2) The per employee per month (PEPM) fee for dental and vision expires December 31, 2003.
- 3) This administrative fee supersedes the stated administrative fee in any prior agreements between employer and Acordia National.
- 4) All services between Employer and Acordia National remain the same as agreed upon in the administrative services agreement dated September 8, 1999, as renewed October 1, 2003.

FILED FOR RECORD

2004 APR 19 PM 2:20

DANNY L. KOLHAGE
CLK. CIR. CT.
MONROE COUNTY, FLA.

IN WITNESS WHEREOF, the Employer and Acordia National have caused this amendment to be executed this 18th day of Feb., 2004.



ATTEST: DANNY L. KOLHAGE
CLERK

By: Isabelle C. DeSantis
Deputy Clerk

Nathee Frazier
Witness

Board of County Commissioners of Monroe County

By: Monroe E. Nelson
Mayor

MONROE COUNTY ATTORNEY
APPROVED AS TO FORM:
Suzanne A. Hutton
SUZANNE A. HUTTON
ASSISTANT COUNTY ATTORNEY

ACORDIA NATIONAL

By: R. H. Legg
Date: 1/29/04
Its CHIEF OPERATING OFFICER

2004 FEB 29

RENEWAL AGREEMENT

This renewal agreement is entered into by and between Board of County Commissioners of Monroe County, Florida; 1100 Simonton Street, Room 2-268; Key West, Florida 33040 (hereafter Employer) and Acordia National of 602 Virginia Street, East Charleston, WV 25301.

WHEREAS, on October 1, 2002, the Employer and Acordia National entered into an agreement (hereafter the original agreement) whereby Acordia National performs claim administration for the Employer's employee welfare benefit plan; and

WHEREAS, the current contract will expire on September 30, 2003 and the Employer desires to extend the original agreement for another year, therefore, the parties agree as follows:

1. This first one-year renewal term will commence immediately upon the expiration of the current contract. Therefore this renewal will become effective October 1, 2003, and will expire September 30, 2004.
2. In all other respects the terms and conditions of the original agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Renewal Agreement this 1st day of

October, 2003

ATTEST: DANNY L. KOLHAGE, CLERK

By Danny L. Kolhage
Deputy Clerk

BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

By Reggie M. Spehar
Mayor/Chairman

ACORDIA NATIONAL

By Ril H. Hegg
President

FILED FOR RECORD

2003 NOV -4 AM 4:16

DANNY L. KOLHAGE
CLK. CIR. CT.
MONROE COUNTY, FLA.

MONROE COUNTY ATTORNEY
APPROVED AS TO FORM:

Suzanne A. Hutton
SUZANNE A. HUTTON
ASSISTANT COUNTY ATTORNEY
Date 9/03/03

ADMINISTRATIVE SERVICE AGREEMENT

THIS AGREEMENT, made and entered into the 15th day of October, 2002 by and between Monroe County (hereinafter called "Employer") and ACORDIA NATIONAL of 602 Virginia Street, East, Charleston, WV 25301, is hereinafter set forth:

WITNESSETH

WHEREAS, Employer has established an employee welfare benefit plan (hereinafter called "Plan") for the purpose of providing medical, dental, vision, utilization review, Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and other benefits for its employees;

WHEREAS, Employer desires to engage the services of Acordia National as agent for the Employer for the purpose of effecting claim administration under its Plan; and

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter contained, the parties hereto agree as follows:

- 1) The effective date of the Employer's Plan shall be October 1.
- 2) The Plan Year shall be from October 1 thru September 30 of each year.
- 3) The Employer's Tax Identification Number is 596000749
- 4) For each Plan Year, the Employer shall provide monies sufficient to pay benefits under the Employer's Plan on a timely basis. "Timely"

shall be defined as within thirty (30) days of Acordia National's notification, oral or written, that benefit claims have been processed for payment. In the event Employer shall fail to provide sufficient monies to fund its claims in a timely manner, a ten percent (10%) surcharge shall be added to the monthly administrative fee due Acordia National, which surcharge shall become chargeable beginning on the thirty-first (31st) day after Acordia National's notification, as described herein. Employer acknowledges and agrees that Acordia National shall not have any financial duty or responsibility to release claim payments if Employer has not sufficiently funded the same.

- 5) Employer acknowledges and agrees that Acordia National shall not have any financial duty or responsibility to see that the Employer deposit meets the Employer's Plan requirements; however, Acordia National shall keep the Employer advised as to the amount of deposit needed to meet said requirements on a timely basis. Employer further acknowledges and agrees that Acordia National shall not be deemed a fiduciary for the Plan within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"). Accordingly, the services to be performed by Acordia National hereunder shall be limited to the ministerial services set forth herein and the performance by Acordia National shall be subject in all respects to review by Employer within the framework of Plan provisions as well as policies, interpretations, rules, practices and procedures established by Employer. Acordia National shall not have any

discretionary authority or control with regard to the management of Plan assets. To the extent permitted by law, Acordia National shall not incur any liability for any acts or for failure to act except for its own willful misconduct in administering the Plan.

- 6) The monthly capitation fee for administrative services will be:

October 1, 2002

Medical Claims Administration	\$10.19 PEPM*
Dental Claims Administration	\$ 1.80 PEPM*
Vision Claims Administration	\$ 0.41 PEPM*
Pre-certification Administration	PERFORMED BY KPHA
HIPAA Administration	\$ 0.40 PEPM*

- Per Employee, Per Month

The above monthly capitation fee shall apply to renewal effective October 1, 2002, and will remain the same for renewals effective October 1, 2003 and October 1, 2004.

Payment of the fees established above is due from the Employer on or before the 10th day of each month, beginning on the 10th day of October, 2002. The fee quoted is a three (3) year guarantee effective October 1, 2002. The cost of any additional services rendered by Acordia National on behalf of the Employer necessitated by a change in federal or state law will also be charged to the Employer in addition to the monthly fee. Employee counts for purposes of monthly administrative fee billing may not be reduced by more than 10% of the billed enrollment unless an explanation is provided. Administrative fee adjustments must be done monthly and cannot be adjusted

retroactively in excess of 90 days prior to the month invoiced. Acordia National reserves the right to withhold any fees due to the client if administrative fees are outstanding.

Acordia National shall provide generic enrollment forms, claim forms and other administrative and plan forms. In the event Employer desires customized administrative and plan forms, Acordia National will direct the printing of same, however, the cost of such printing shall be paid solely by the Employer.

7) Acordia National shall provide the following services in connection with the administration of Employer's Plan(s):

- a) Provide assistance to enroll all eligible Employees (as defined in the Employer's Plan) in Employer's Plan, as agreed with Employer;
- b) Design and obtain other coordinating or supplemental types of insurance coverage, where necessary, as requested by Employer in writing;
- c) Assist and advise employer in revising Plan Document.
Provide prototype Plan Documents and Identification Cards (ID Cards) for the Employer. Arrange for printing and preparation of such documents. The cost of the printing will be the responsibility of the Employer;
- d) Conduct information programs for all eligible Employees to fully explain the benefits available under the Employer's Plan, as requested by Employer;

- e) Respond to telephone and mail inquiries from Plan participants regarding benefits available to them and their dependents.
- f) Provide information concerning Plan benefits and participants, based upon information provided by Employer;
- g) Review and analyze all claims and determine whether the charges of health care providers submitted are within reasonable payment guidelines and/or are related to diagnostic related groups, preferred provider organization agreements or other industry standards;
- h) Correspond with claimants, as necessary, to prove claims and to ascertain whether other coverage exists which might pay the claim in whole or part;
- i) Receive, review, and administer all claims for benefits under the Employer's Plan, including the evaluation of claims made; standard evaluation of the eligibility status of all claimants, coordination of and at least annual auditing of the Utilization Review and Case Management function, provide the County with results of Utilization Review audit, appropriate Coordination of Benefits evaluation of all claims, supply data to Health Recoveries, Inc. necessary for subrogation and other functions usual to the efficient and cost effective administration of claims;

- j) Aid the employer in developing an efficient claims control program;
- k) Provide information, on request, for the completion by the Employer of all necessary IRS and ERISA filings;
- l) Provide Employer with a monthly report of claims paid;
- m) Do all things necessary to properly effect the responsibilities of a claims administrator under the Employer's Plan, provided that all such actions/non-actions not otherwise required by this Agreement shall first be approved by Employer.
- n) Provide assistance and resources to Monroe County in identifying, analyzing and maintaining the Employer's Plan in accordance with state and federal laws, industry standards, regulations and changes that affect the Plan;
- o) Report all potential excess claims to the excess insurer, and provide Employer with monthly updates;
- p) Make documents available to the Employer and/or their Consultants for periodic audit of files for accuracy and efficiency of Acordia National's claims administration, and;
- q) Process, authorize, and issue payment of all complete and eligible claims within twenty (20) days of receipt;
- r) Provide the County with adequate training and make available access to its on-line computerized claim system.

- s) Acordia agrees that this contract is not assignable by
Acordia without prior written permission from Monroe County.

- 8) Acordia National shall provide COBRA administrative services, if desired by Employer (check one blank below). It is agreed and understood that COBRA administration services are provided for medical and dental plans only and are not provided for 125 Reimbursement Account Plans.

Applicable _____

Non-applicable _____ X

In the event Employer desires Acordia National to provide COBRA administration services, Acordia National agrees to:

- a) Provide initial notification of continuation of coverage option to all employees;
- b) Provide notification, enrollment information and enrollment forms to all qualified beneficiaries within 14 days of notification of Employer of a qualifying event;
- c) Provide monthly billing and collection services for all qualified beneficiaries who elect to continue coverage under the program and supply monthly reports of premiums collected by Employer;
- d) Track participating beneficiaries and notify them of their right to convert if a conversion option is available under Employer's Plan;

- e) Process all claims for continuing beneficiaries under a segregated category and report, through regular monthly reporting series, claims experience of continuing beneficiaries (COBRA claims will be aggregated during the normal check processing cycle but reported separately at month's end);
- f) On an annual basis, at the beginning of Employer's Plan Year, provide rates to be charged continuing participants for coverage in the new Plan Year;
- g) Provide prototype language to be included in the Plan document to ensure compliance with COBRA legislation;
- h) Provide prototype language for inclusion in Employer's Summary Plan Description and coordinate, at Employer's option, the printing of new plan booklets at employer's expense; and
- i) Mail all correspondence to Plan participants or qualified beneficiaries directly to the last known address of the employee and/or dependent by first class mail.

In consideration for receipt of these services from Acordia National, Employer agrees to:

- a) Notify Acordia National within thirty (30) days of qualifying events for which the Employer has knowledge. Qualifying events include:
Termination of employment for any reason short of gross misconduct; and employee's reduction of work hours, the

Employer's filing for reorganization under Chapter XI of the Bankruptcy Code; an Employee's divorce or legal separation; death of an employee; an employee's child ceasing to be a dependent; and a beneficiary's entitlement to Medicare. If the Employer is not notified and does not have knowledge of a qualifying event, the employee has sixty (60) days from the qualifying event in which to notify Acordia National of the same to be eligible or the continuation of coverage option; and

- b) Notify Acordia National of any address changes or other pertinent information regarding employee participation in the Employer's Plan(s) to allow Acordia National to properly fulfill the requirements of COBRA legislation.

It is acknowledged by employer that future legislation related to continuation of benefit coverage or other matters not currently required by COBRA legislation and COBRA regulations on the date of this Agreement may necessitate an adjustment in the fee for COBRA administration.

9) In the event Employer does not desire COBRA administration services by Acordia National, but instead the development of COBRA rates applicable to its Plan, Acordia National shall provide the same upon terms, and for a fee, to be agreed upon between Employer and Acordia National.

10) Acordia shall provide the following services related to HIPAA administration for the Employer's Plan:

- a) Provide for the Employer's review, prototype modifications to the plan document and SPD (Booklet) to address HIPAA requirements;
- b) Perform programming required to the Multi-Claim System to track the applicable eligibility information and maintain credited coverage information on both a current and future basis;
- c) Coordinate the receipt of all certificates of coverage, or other proof of coverage, for all new employees enrolling in the benefit plan;
- d) Perform the administrative requirements to analyze the determination of pre-existing conditions and establish the waiting periods that would apply for all new employees and existing employees having pre-existing conditions;
- e) Develop and distribute to all required parties the notifications and correspondence documenting pre-existing conditions;
- f) Issue certificates of coverage for all employees and their dependents upon termination or upon request;
- g) Prepare and distribute standard reports documenting completed HIPAA activities; and

h) Serve as an information resource for HIPAA questions.

11) Subrogation and Fee Negotiation:

a) This will serve to confirm our understanding that the Employer desires to utilize the subrogation and related services offered by Healthcare Recoveries, Inc. in connection with the Employer's health plan.

b) The administrative fee for Acordia National's Fee Negotiation Services with health care providers shall be 25% of savings.

12) In the absence of a designation by the Employer and except for disposition of disputed claims, Acordia National shall determine the manner in which payment of benefits shall be made as it shall deem it to be necessary and appropriate in accordance with provisions of Employer's Plan, and shall not be responsible in the exercise of such judgment in the absence of willful misconduct on the part of Acordia National.

13) To the extent required by law to purchase such coverage, each Employer shall name Acordia National as an additional insured under its fiduciary bond which shall be conditioned upon faithful performance of its duties hereunder, and such fiduciary bond shall in all respects comply with the requirements of the Employee Retirement Income Security Act of 1974, as amended.

14) Acordia agrees to defend, indemnify and hold harmless Employer against all claims, damages, liabilities and expenses actually and reasonably incurred or imposed on Employer in connection with any actual or threatened claim, action, suit, proceeding, settlement or compromise thereof which arises from Acordia's administration of claims

under Employer Plan(s) other than in accordance with Plan provisions as well as the negligence, willful misconduct of Acordia, its employees, representatives, or agents. The right to be defended, indemnified and held harmless shall extend to Employer's affiliates as well as the employees of Employer, their estates, executors, administrators, guardians, conservators and heirs and shall apply after the employee cease employment with Employer with respect to acts or omissions of Acordia prior to such cessation.

15) The terms of this Agreement shall be from the effective date hereof and continue for a period of one year. This Agreement shall be renewed for two (2) successive one-year periods at the sole discretion of the Employer, unless either party gives the other notice of cancellation in accordance with the terms set forth below. If either party desires to modify or terminate this Agreement, it shall notify the other in writing at least thirty (30) days prior to the effective date of such modification or termination. In the case of proposed modification the party receiving the notification of the proposed modification shall itself notify the other party within ten (10) days notice of its agreement to the proposed modification. Failure to do so shall terminate this Agreement as of the end of the Employer's Plan Year.

16) This Agreement may be terminated by either the Employer or Acordia National at any time provided that Acordia National gives the Employer ninety (90) days prior written notice or that the Employer gives Acordia National at least thirty (30) days prior written notice. The prior written notice will state the prospective effective date of the termination. Termination of this Agreement will not terminate the rights or obligations of either party arising out of the period during which this Agreement was in effect. Upon the termination of this Agreement, and if the same is not renewed, Acordia

National shall return all files of closed or pending claims covered by this Agreement to the Employer or their designee.

17) Employer agrees that during the term of this Agreement and for a period of three years after its termination it will not induce any employee of Acordia National to leave Acordia National's employment or directly or indirectly assist any other person or entity in requesting or inducing any such employee of Acordia National to leave such employment.

18) Monroe County's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Board of County Commissioners.

19) Acordia National warrants that it is not employed, retained or otherwise had acted in its behalf any former County officer subject to the prohibition in Sec 2 of Ordinance no 10-1990 or any County officer or employee in violation of Sec 3 Ordinance 10-1990 and that no employee or officer of the County had any interest, financially or otherwise, in Acordia National except for such interest, permissible by law and fully disclosed by affidavit attached hereto. For breach or violation of this paragraph, the County may, in its discretion, terminate this agreement without liability and may also, in its discretion, deduct from the contract or purchase price, or otherwise recover, the full amount of any fee, commission, percentage, gift or consideration paid to the former County officer or employee.

19) A person or affiliate who has been placed on the convicted vendor list following a conviction for public entity crime may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to public entity, may not be awarded or perform

work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

20) All notices hereunder shall be in writing and mailed by certified mail, return receipt requested. Notices to the Employer shall be at the address first above written and to Acordia National at 602 Virginia Street, East, Charleston, WV 25301, Attention: President, at such other addresses as the parties may from time to time designate in writing.

20) The Employer and Acordia National agree that this agreement shall be administered and construed according to the laws of the State of Florida. In the event that any matter of disagreement arises, it shall be decided by a court of competent jurisdiction with venue in Monroe County, Florida.

21) In the event this Agreement is terminated, the parties will have the option of agreeing to completion of claims administration services for claims existing at termination for a ninety (90) day period following termination of this Agreement upon terms negotiated between the parties.

22) This Agreement, together with the written proposal submitted by Acordia and the Plan constitute the entire Agreement between the Employer and Acordia National.